



**COUNTY OF LOS ANGELES
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December 26, 2012

TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **STEP UP ON SECOND STREET – A DEPARTMENT OF MENTAL
HEALTH CONTRACT SERVICE PROVIDER – PROGRAM REVIEW –
FISCAL YEAR 2010-11**

We completed a contract compliance review of Step Up On Second Street, Inc., (Step Up or Agency), which included a sample of billings from May and June 2011. The Department of Mental Health (DMH) contracts with Step Up to provide mental health services, including interviewing Program clients, assessing their mental health needs, and implementing treatment plans. The purpose of our review was to determine whether Step Up provided the services and maintained proper documentation, as required by their County contract.

DMH paid Step Up approximately \$3 million on a cost-reimbursement basis for Fiscal Year (FY) 2010-11. The Agency provides services in the Third Supervisorial District.

Results of Review

Step Up's treatment staff had the required qualifications, and the billings reviewed were adequately supported. However, Step Up needs to improve the quality of documentation in their Assessments, Client Care Plans, Progress Notes, and Informed Consents. Specifically, Step Up:

- Did not adequately describe the clients' symptoms and behaviors to support the diagnosis in three (16%) of the 19 Assessments reviewed.

- Did not develop objectives, goals, and/or diagnosis for 11 (58%) of the 19 Client Care Plans reviewed.
- Did not describe what the clients or service staff attempted and/or accomplished towards the clients' goals on four (16%) of the 25 Progress Notes.

Step Up's attached response indicates that they will provide training for all clinical staff on DMH standards and contract requirements, and conduct random chart reviews on a quarterly basis to ensure the accuracy of documentation.

- Did not obtain and document Informed Consents for two (29%) of the seven clients reviewed, who received treatment with psychotropic medication, and did not conduct annual medication review for three clients, who received medication for over a year.

Step Up's response indicates that they will remind their psychiatrists of the requirements, and conduct Quality Control reviews to ensure their compliance with the medication requirements.

Details of our review, along with recommendations for corrective action, are attached.

Review of Report

We discussed our report with Step Up and DMH. Step Up's attached response indicates that they agree with our findings and recommendations.

We thank Step Up for their cooperation and assistance during our review. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:JLS:DC:EB

Attachments

- c: William T Fujioka, Chief Executive Officer
Dr. Marvin J. Southard, Director, Department of Mental Health
Howard Reback, Chair, Board of Directors, Step Up On Second Street, Inc.
Tod Lipka, President and CEO, Step Up On Second Street, Inc.
Public Information Office
Audit Committee

**STEP UP ON SECOND STREET
DEPARTMENT OF MENTAL HEALTH PROGRAM REVIEW
FISCAL YEAR 2010-11**

BILLED SERVICES

Objective

Determine whether Step Up On Second Street, Inc. (Step Up or Agency) provided the services billed in accordance with their Department of Mental Health (DMH) contract.

Verification

We selected 45 billings, totaling 6,843 minutes, from 127,680 service minutes of approved Medi-Cal billings for May and June 2011, which were the most current billings available at the time of our review (April 2012). We reviewed the Assessments, Client Care Plans, and Progress Notes in the clients' charts for the selected billings. The 6,843 minutes represent services provided to 19 clients.

Results

Step Up had documentation to substantiate the billings reviewed. However, Step Up needs to improve the quality of documentation in their Assessments, Client Care Plans, Progress Notes, and Informed Consents.

Assessments

Step Up did not adequately describe the clients' symptoms and behaviors consistent with the Diagnostic and Statistical Manual of Mental Disorder (DSM) to support the diagnosis for three (16%) of the 19 Assessments reviewed. The DSM is a diagnostic manual published by the American Psychiatric Association for mental health professionals, which lists different categories of mental disorders and the criteria for diagnosing them. The DMH contract requires the Agency to follow the DSM when diagnosing clients.

Client Care Plans

Step Up did not develop specific objectives for 11 (58%) of the 19 Client Care Plans reviewed as required by their DMH contract. This finding was also noted during our prior monitoring review.

Progress Notes

Step Up did not complete four (16%) of the 25 Progress Notes for Mental Health Services reviewed in accordance with their DMH contract. Specifically, the Progress Notes did not describe what the clients or service staff attempted and/or accomplished

towards the clients' goal(s). This finding was also noted during our prior monitoring review.

Informed Consent Forms and Annual Medication Review

Step Up did not document Informed Consent for two (29%) of the seven clients reviewed who were treated with psychotropic medication. In addition, for all three clients who received medication for over a year, either the Agency did not document the annual review of the medication, or they documented the reviews late. Informed Consents and the annual reviews document the clients' agreement to a proposed course of treatment based on receiving clear, understandable information about the treatments' potential benefits and risks. This finding was also noted during our prior monitoring review.

Recommendations

Step Up management:

1. **Ensure that Assessments, Client Care Plans, and Progress Notes are completed in accordance with their DMH contract.**
2. **Ensure that Informed Consents are obtained and documented in the clients' charts.**
3. **Ensure that medication is reviewed on an annual basis and documented in the client's chart.**

STAFF QUALIFICATIONS

Objective

Determine whether Step Up's treatment staff had the required qualifications to provide the services.

Verification

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for 13 Step Up treatment staff, who provided services to DMH clients during May and June 2011.

Results

Each employee in our sample had the qualifications required to provide the services billed.

Recommendation

None.

PRIOR YEAR FOLLOW-UP

Objective

Determine the status of the recommendations reported in the prior Auditor-Controller monitoring review.

Verification

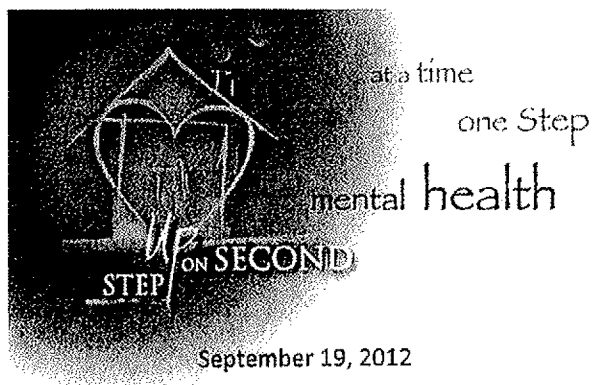
We verified whether Step Up had implemented the four recommendations from FY 2005-06 monitoring review. The report was issued on November 15, 2006.

Results

Step Up had not implemented two (50%) of the four recommendations from the prior monitoring report. As previously indicated, the outstanding findings relate to Recommendations 1 and 2 in this report.

Recommendation

See Recommendations 1 and 2.



September 19, 2012

Wendy L. Watanabe
Auditor-Controller
County of Los Angeles
Department of Auditor-Controller
500 West Temple Street, Room 525
Los Angeles, CA 90012-2766

Dear Ms. Watanabe;

This letter is in response to your September 2012 contract compliance review report of our Implementation of the County DMH contract for the FY 2010-2011. Our corrective action plan (CAP) for the recommendations in the report are below

Recommendation 1: Ensure that Assessments, Client Care Coordination Plans, and Progress Notes are completed in accordance with their DMH Contract.

CAP: The agency's senior management will provide initial and ongoing trainings for all clinical staff on the topics listed above to ensure 100% compliance with all DMH standards and contract requirements. Clinical lead staff will review all care plans and sign off to ensure accuracy to format and standards set. Quality Assurance process will continue to meet quarterly to review at least 10 random charts for accuracy of documentation.

Recommendation 2: Ensure that informed Consent (for Psychotropic Medications) is obtained and documented in the client's chart.

Recommendation 3: Ensure that medication is reviewed on an annual basis and documented in the client's chart.

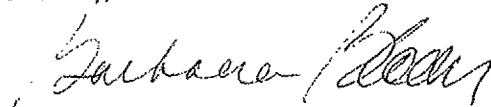
CAP for 2 & 3: All Psychiatrists will be reminded of these (item 2 & 3) requirements and standards of practice. Each program's LVN will prompt the psychiatrist and review the medication section of each chart to ensure these processes are completed accurately and in a timely fashion. QA audits will review for this requirement.

Recommendation 4: Step Up on Second's management implement the outstanding recommendations from the prior monitoring report. These related to items 1 & 2 of this audit.

CAP: As discussed in the exit interview, while the prior monitoring report CAP's were implemented, errors existed and were found. The management team will increase its diligence and work to achieve 100% accuracy of all documentation in charting. Management will hire a dedicated Quality Assurance staff to manage this process.

On behalf of our staff involved in the review, thank you to your staff for their professionalism and courtesy during their visit to our agency. We appreciate the support and efforts to improve the quality of our compliance to our contract while we continue to serve our clients with the utmost integrity to achieve their desired outcomes of wellness, recovery and hope for a better future.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Barbara Bloom', written in dark ink.

Barbara Bloom, LCSW
Chief Operations Officer

Cc: Tod Lipka, CEO